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C O N F I D E N T I A L QUITO 002617

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TAGS: [PGOV](#) [PREL](#) [EC](#)
SUBJECT: CORDIAL MEETING WITH CORREA

Classified By: Ambassador Linda Jewell for reasons 1.4 (b&d)

11. (C) Summary: In a cordial meeting with presidential candidate Rafael Correa on October 26, the Ambassador underscored USG impartiality in the upcoming November 26 election and commitment to a fair and transparent electoral process. She said we will seek to pursue areas of convergence with the next government, whoever is elected. Correa responded favorably, taking pains to signal openness to continued security cooperation against transnational threats, and downplayed points of potential bilateral contention. In alleging widespread fraud in the first round, he focused his complaints against Ecuadorian electoral authorities, and not the OAS. Correa clearly saw the meeting, which we requested, as useful to his efforts to re-position himself as more moderate in the second round, and invited press to photograph the opening of the meeting. He welcomed the Administration's backing of ATPDEA renewal for Ecuador but privately and later publicly reiterated his opposition to a FTA. The Ambassador also has a pending meeting with presidential front-runner Alvaro Noboa. End Summary.

12. (SBU) The meeting was arranged at the Ambassador's request, but the venue and publicity were selected by Correa. It follows a similar but more private encounter during the run-up to the first round of presidential voting on October 15, in which Correa placed second to Alvaro Noboa. A similar request is pending with Noboa, to continue the Ambassador's ongoing private dialogue with him. This meeting took place, at Correa's suggestion, in a private suite in a Quito hotel. The Ambassador was accompanied by the DCM. Correa was joined by his running mate, Lenin Moreno, and Vinicio Alvarado Espinel, whom he introduced as his campaign manager and director of communications, apparently a new member of the team (Alvarado's business card indicates he is president and creative director for "Creacional," a PR firm with offices in Quito and Guayaquil). Correa requested the Ambassador's permission to admit the press for a photo-op; she consented and press coverage was widespread. During the photo session, Correa joked to the press, "look at the communist/terrorist, meeting with the American Ambassador."

Areas of Convergence Welcomed

13. (C) Correa welcomed the Ambassador's overture to finding areas of mutual interest with a potential Correa government. On economics, he agreed that competitiveness reforms and anti-trust laws were potential areas of convergence. The U.S. anti-trust law is a model for the world, he said--no modern, market economy could function without similar constraints. He rejected the characterization of his programs to generate employment and production as statist,

with the exception of Petroecuador, which he would "incorporate but retain 100% state control with no private investment." He discussed increasing investments in agricultural modernization, microcredit and education. His overarching development goal, he said, lapsing into English, is to create a "huge middle class" in Ecuador. When asked what would be his most important economic reform, he focused on ending collusion within the banking sector. He said he was pro-trade, but reiterated his belief that Ecuador was "not ready" for a FTA with the U.S. and lamented the constraints on macro-economic policy of dollarization.

14. (C) Correa strongly signaled his commitment to collaborate in the fight against narco-trafficking under a Correa government. Asked by the DCM if he would be open to extradition of Ecuadorian narcos to the U.S., Correa said he saw no reason not to (comment: apparently unaware of the current constitutional bar on extradition of Ecuadorian nationals). Correa seemed unaware of the challenges to USG interdiction efforts caused by Ecuador's 200-mile sovereign claim in the maritime sector. We chose not to raise access to the Manta base, nor did he.

14. (C) Correa, ever the economist, at one point suggested the U.S. might legalize drugs to correct the illegal market dynamics (Moreno reacted strongly against this--citing the social costs of drug use, including alcoholism).

15. (C) Correa said he would maintain the current level of 8,000 troops on the northern border with Colombia, but would seek compensation for Ecuador's costs. Ideally, he said, an international force could help secure Colombia's side of the border, but he recognized that was an unlikely and difficult proposition. He would have "zero tolerance" for the presence of any illegal armed groups in Ecuador, or incursions by the Colombian military, for that matter. On the issue of the FARC specifically, he confessed that "I'm just a middle class guy. If I call the FARC terrorists and lose the election, who is going to protect me and my family (from them)?"

16. (C) Asked which political reform he would prioritize, Correa said voting by district, "just like in the U.S." To do so, a referendum on a constituent assembly was unavoidable. Asked how he felt about the appropriate role of the military in the economy, Correa said "none, but what they do have is actually minimal."

17. (C) Correa had much to say about the dirty campaign to discredit him, ascribing blame mainly to Leon Febres Cordero and also to his opponent, Noboa, whom he closely associated with Febres Cordero. He lamented that his campaign could not match the resources Noboa had access to, and called for the TSE, OAS, and international community to speak out against

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campaign overspending and impunity demonstrated by the Noboa campaign.

19. (C) Correa spoke at length about fraud in the first round of voting, but blamed Ecuadorian election authorities, not the OAS, for the failures to detect the fraud. As examples he said some PAIS poll watchers were paid to leave the polling stations early on election day; votes were bought; and whole voting boxes were substituted. Fraud was most rampant in the Amazon region, Manabi province and the eastern Sierra region. He contended that some towns in the Amazon and in Manabi, (including where Moreno's family lives in the Amazon), reported 100% of the votes for Gutierrez or Noboa, which was just not credible in his view. The Ambassador urged Correa to share any evidence of fraud with the OAS. Correa said the OAS had great credibility, but worried that fraud was just as likely to occur in the second round. To monitor and prevent fraud would have required 10,000 PAIS observers, and we had 3,000, he said. The lack of a quick count for the second round would make it easier to commit fraud, he asserted. Though he needed to focus on the campaign, he would dispute fraudulent results strongly if and when they occurred.

Correa Makes Hay

¶10. (U) After the meeting, Correa told the press that he insisted to the Ambassador he would not enter into an FTA agreement with the U.S. as currently negotiated. He said he continued to press for ATPDEA renewal, which Ecuador deserved for its continued cooperation against narco-trafficking.

Comment

¶11. (C) Correa appeared tired and his earlier infectious sense of confidence seemed dimmed by misfortune in the first round of voting. Nevertheless, his tone was good humored, and never shrill. We sensed that he realizes that his best chance may have passed, but he is by no means giving up the fight. He clearly sought to emphasize common ground during the conversation, speaking repeatedly about his very positive regard for the American people and rejecting as ludicrous the labels of communist, etc. that have been used against him. He twice apologized for the comment he had made about President Bush, saying that while he thought it was amusing, it was inappropriate and he regretted having said it. His invitation to the press and later remarks were clearly an attempt to moderate his image and to appeal to more centrist voters.

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